





Housing and Redevelopment Authority Disparity Study



Kick-Off Meeting Presentation

December 7, 2006





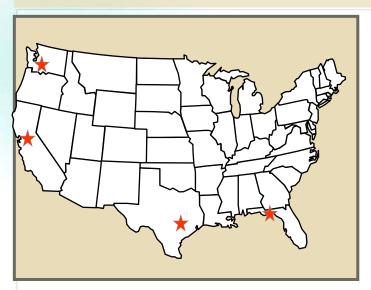
Presentation Agenda

- Who is MGT of America, Inc.?
- What is a Disparity Study and Why is it Necessary?
- Quick Facts About the Study
- Approach and Methodology
- Project Team
- Questions and Answers





About MGT of America, Inc.



- MGT is a national management and research consulting firm specializing in finding solutions for the public sector
- With nearly 30 years of consulting experience, completed over 2,900 client engagements in 49 states
- Since 1989, MGT provided disparity studies to over 110 jurisdictions
- Founded in 1974 in Tallahassee, Florida
- Network of offices 100 employees
 - Sacramento, California
 - Olympia, Washington
 - Austin, Texas
 - Tallahassee, Florida



What is a Disparity Study and Why is it Necessary?



What is a Disparity Study?

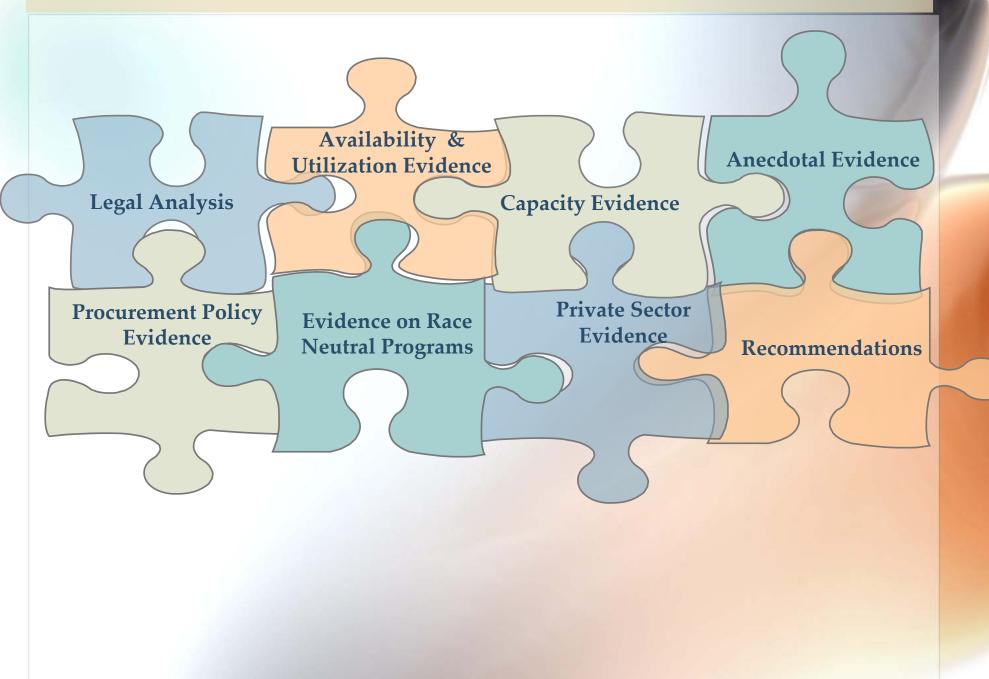
A disparity study provides the jurisdiction with the evidence, in accordance with current case law, to determine whether or not, and to what extent, remedial programs for racial or gender discrimination are appropriate. The objectives of a study are:

- To determine the history of the utilization of MBEs, WBEs and SBEs by the agency in contracting and procurement opportunities;
- To investigate and describe prevailing practices in the public and private sectors that have caused under utilization of MBEs, WBEs and SBEs;
- To determine the availability of small, minority and women-owned businesses;
- To determine whether race-neutral and gender-neutral programs can redress the effects of discrimination; and
- To identify the revisions necessary for the agency's M/WBE or SBE programs to meet requirements of court decisions.

A disparity study will determine if the jurisdiction has up-to-date facts for existing and future efforts to increase the use of small, minority and women owned business enterprises.



What are the Components?





Quick Facts About the Study



Quick Facts About the Study

What is the Significance of this Study?

- The last study was completed in 1995.
- The findings of that study were used to develop Saint Paul's Vendor Outreach Program.

What is the Vendor Outreach Program (VOP)?

- Under the current program (VOP), Saint Paul sets goals for contracting with WBEs, MBEs, and SBEs
- The current program also provides outreach, training, and technical assistance to businesses in contracting areas, such as construction, goods, services, and economic development projects.



Quick Facts About the Study (cont.)

What Jurisdictions are Involved in the Study?

- City of Saint Paul
- Housing and Redevelopment Authority (HRA)

What Types of Contracts will be Studied?

Prime Contracts and Subcontracts for:

- Construction
- Professional Services
- Goods, Supplies, & Equipment
- Other Services
- City Permits

- Housing Development Contracts
- Commercial Construction Development Contracts
- Construction Related Professional Services
 Development Contracts

What is the Time Period of the Study?

■ The analysis will cover a five-year study period (2002 – 2006).



Approach and Methodology



Approach and Methodology

This study will comply with the "strict scrutiny" standards required for a constitutionally sound race- and genderbased program.



 Consistent with Predominant, Controlling, and Relevant Legal Methods

A complete legal review will concentrate on identifying specific methodological guidelines.

 Thorough Examination of Statistical and Anecdotal Evidence

Sole reliance on either anecdotal or statistical deviations to prove discrimination will not suffice in post- *J.A. Croson* era.

 Local and current evidence is needed to develop and sustain a program



Croson and Legal Guidelines

- Strict Scrutiny Standard of Review
- A Compelling Interest Can Be Found in Private Sector Discrimination
- Narrow Tailoring
- U.S. Department of Transportation Guidelines for Narrowly Tailored M/WBE Program
- Minnesota Law



City of Saint Paul Study Requirements

- Is there a disparity between the number of qualified minority, women, small, and disadvantaged-owned firms willing and able to perform a particular service and the number of such firms actually engaged by the jurisdiction?
- Has the jurisdiction engaged in practices that have prevented or deterred minority, women and small business owners from participating fairly and equally in goods and services contracts?
- Has the jurisdiction passively participated in a system of racial exclusion practiced by elements of the business community?
- Has the jurisdiction fully utilized their opportunities to provide raceand gender-neutral measures? Will additional race- and genderneutral measures sufficiently remove any identified barriers?
- Are race- and gender-based remedies warranted?



Compelling Interest:

- Specific Identification of Discrimination
- Capacity Analysis/Regression Analysis
- Level of Aggregation in the Analysis
- Private Sector Analysis



Narrow Tailoring in 8th Circuit:

- Effective Use of Race-Neutral Techniques
 - Impact of discontinuation
 - Effectiveness of VOP, other remedial programs
- Goals Related to Availability
- Flexibility
- Impact on Third Parties



Assessment of the Effectiveness of Remedial Program:

- Impact of discontinuation
- Detail the persistence of discrimination in the private sector
- Assess role of race-neutral alternatives



Project Work Plan

<u>Tasks</u>	<u>Deliverable</u>
1.0: Conduct Detailed Legal Review	Legal review of <i>J.A. Croson, Adarand,</i> and other relevant court cases with emphasis on recent decisions in the Eighth Circuit.
2.0: Finalize Work Plan	Finalized Work Plan.
3.0: Review Policies, Procedures and Programs	Identify and analyze relevant state and local statuettes, regulations, policies, procedures, practices and programs during the relevant time period of the study.
4.0: Assess Data	Written methodology to collect utilization and availability data.
5.0: Collect Data	Collection of data from the jurisdictions of all prime, subcontractor, certification, and bidder data; collection of MBE/WBE/SBE and non-MBE/WBE/SBE data.
6.0: Conduct Market Area Analyses	Market area report for each procurement category showing location of firm: number and percentage of contracts/payment; number and percentage of firms; and dollar amount and percentage.
7.0: Conduct Utilization Analyses	Utilization report showing, to the extent possible from available data, percentages of categories by procurement category and business ownership classification.
8.0: Determine Availability of Qualified Firms	Report showing the number and percentage of available firms by procurement category and business ownership classification.



Project Work Plan (cont.)

Report that provides as specific information as possible about alleged discriminatory practices of third parties (trade associations, trade unions, lenders, bonding companies,

<u>Tasks</u>	<u>Deliverable</u>
9.0: Analyze Utilization and Availability Data for Disparity and Statistical Significance	Set of disparity indices and standard deviation tests results for each of the following categories: MBE/SBE/WBE and non-MBE/SBE/WBE group: prime contractor, subcontractor/vendor; and any other categories deemed necessary to meet the objectives of the study or case law.
10.0: Conduct Telephone Surveys of Vendors	A report describing statistical analysis of data concerning MBE/SBE/WBE and non- MBE/SBE/WBE access to credit and capital needed to do business with the jurisdiction.
11.0: Conduct Regression Analysis	A report of the findings and outcomes of the econometric analysis in terms of the contribution that each explanatory variable in the model makes towards explaining differences or variation in the dependent variable.
12.0: Conduct Disparity Analyses of Relevant Private Market	A report of private sector findings that will determine if major disparity exists between race and gender of firm owners in the private marketplace that affects the ability of firms to win City contracts.
13.0 Collect and Analyze Anecdotal Information	Report the identities, from interviews and focus groups, evidence (or lack thereof) of discriminatory patterns or practices by the jurisdiction or their contractors during the years of 2002 through 2006.

insurers and suppliers)



Project Work Plan (cont.)

Tasks	<u>Deliverable</u>

14.0: Identify Narrowly Tailored Race- and Gender-Neutral and Race- and Gender-Based Remedies Report identifying race- gender-neutral remedies to ameliorate disparities, if any.

Report identifying problem area, if any, that race- genderneutral remedies will not correct and that identifies needed narrowly tailored race- and gender-based remedies

Report identifying problems areas, if any, in that race- and gender-specific remedies may be subject to legal challenge and which identify narrowly tailored alternatives

Report developing objective setting methodology for the County on a contract-by-contract basis

15.0 Final Report

Interim report of findings

Draft final report reflecting edits and comments to interim report

A comprehensive final report that incorporates the results of all project work tasks into a well-organized, written report

Copies of computerized databases developed during the study

Oral presentations or workshops of the report and its findings to, or on behalf of the jurisdiction.



Disparity Study Project Team



Project Team



SAINT PAUL PROJECT MANAGER

Ms. Lisa Camp

PARTNER-IN-CHARGE

Dr. Fred Seamon

PROJECT DIRECTOR

Mr. Stephen Humphrey

DEPUTY PROJECT DIRECTOR

Ms. Hope Smith

TECHNICAL ADVISORS

Dr J. Vince Eagan, Legal Ms. Joan Gardenhire, Programmatic

POLICIES AND PROCEDURE S TEAM

Dr. J. Vincent Eagan, Lead

ANECDOTAL DATA ANALYSIS AND OUTREACH TEAM

Ms. Joan Gardenhire, Lead P.R. International Kasdan Communications

PRIVATE SECTOR ANALYSIS TEAM

Dr. J. Vincent Eagan Ms. Hope Smith

Ms. Marilyn Wiley

STATISTICAL ANALYSIS TEAM

Ms. Hope Smith, Lead Ms. Marilyn Wiley Dr. J. Vincent Eagan P.R. International

LEGAL ANALYSIS TEAM

Dr. J. Vince Eagan

DATA COLLECTION TEAM

Ms. Hope Smith Ms. Marilyn Wiley Dr. Bruce Corrie

TECHNOLOGY SUPPORT

Mr. Michael Reynolds Mr. Hank Townsend



Key MGT Team Members



Key MGT Team Members

Steve Humphrey



- Provided oversight and direction for all MGT disparity studies and litigation support engagements
- Experience with region
- Experience in litigation support
- Over 25 years direct experience with consulting

Joan Gardenhire



- Twenty years project management experience in consulting and construction industries
- Product manager in the development of MGT's EqualWorks©
 Procurement Tracking System
- 15 years experience in small business development and technical assistance, certification, contract compliance and monitoring; previous GDOT Supportive Services provider
- Knowledgeable, national speaker, and writer about laws and best practices on small business programs
- Project manager on Charleston County (SC); City of Columbia (SC); City of Atlanta (GA); Orange County (FL); Orlando-Orange County Expressway Authority; Miami-Dade County Business Process Review; West Virginia DOT; and Jacksonville Transportation Authority Availability and Goal Setting Studies; JTA EW Procurement Management Solution; Cities of Phoenix, Columbia, Hampton, and Washington Suburban Sanitary Commission



Vince Eagan – J.D., Ph.D.



- Expert in law and economics issues that impact small business participation
- Educator, published author, expert witness
- Extensive expert witness testimony in disparity study cases
- Prior to joining MGT, provided key expert witness support for industry competitor

Hope Smith



- Experience includes work and consultation in the public and private sector where financial, marketing, total quality management, and research issues were addressed.
- Extensive experience in the entry and collection of data; database maintenance and manipulation; formulation of statistical programs (such as SAS and SPSS) and queries; and development of policies, procedures, and reporting materials.
- Relevant experience includes: Orlando Orange County Expressway Authority (OOCEA); Orange County (FL); City of Columbia (SC); Charleston County (SC); City of Atlanta (GA); City of Phoenix (AZ); Commonwealth of Virginia; North Carolina Department of Transportation; and Nassau County (NY).



Marilyn Wiley



- Valuable experience in research, data collection and data analysis, program planning, statistical analysis and monitoring and inspecting governmental agencies
- Experience with federal, state, and local government agencies, offering technical assistance to ensure compliance with the federal and state laws and mandates
- Relevant experience includes: Charleston County (SC); City of Columbia (SC); Orange County (FL); Port Authority (NY&NJ); Nassau County (NY); Hampton City and Schools (VA); West Virginia; North Carolina; Illinois; and Virginia DOT.

Key Team Members - Local Sub-Consultants

Ivy Chang, P.R. International

- Locally based firm that specializes in developing marketing concepts, initiating and implementing public relations programs, performing evaluations, and event planning.
- Extensive familiarity with local businesses and the general public.

Sheryl Kasdan, Kasdan Communications

- Twin Cities-based firm specializing in strategic communications and marketing consulting.
- Experience in multicultural, marketing, public relations, business networking, supplier diversity, and community outreach.

Dr. Bruce P. Corrie

- Chair of undergraduate Business and Professor of Economics at Concordia University
- Some of his recent appointments include, the Governor's Workforce Development Council, Chair of the US Small Business Administration District Advisory Council in Minnesota, and the National Advisory Council of the Small Business Administration.
- In the city of Saint Paul he served on Cultural Advisory Board (CAB), the Biotechnology Advisory Committee of the Mayor, and the Neighborhood STAR board.



Questions and Answers

